

HOUSE BILL 2207
By Sargent

AN ACT to amend the Tennessee Consumer Protection Act of
1977, Title 47, Chapter 18, Part 10, relative to credit
services businesses

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE

SECTION 1. Tennessee Code Annotated, Section 47-18-1002(5)(B)(i) is hereby
amended by inserting the term "directly" between the words "negotiating" and "for".

SECTION 2. Tennessee Code Annotated, Section 47-18-1003 (Prohibited Practices) is
hereby amended by adding the following subparagraphs:

(5) Create, or assist or advise the consumer to create, a new credit
record by using a different name, address, social security number, or employee
identification number;

(6) Provide, in any manner, the services of a credit services business
within this state, without registering a bond consistent with the provisions of
§47-18-1011;

(7) Remove, assist or advise the consumer to remove or otherwise alter
adverse information from the consumer's credit record which is accurate or not
obsolete;

(8) Create, assist or advise the consumer to request that positive information be
inserted or included on the consumer's credit record which is false, inaccurate or
obsolete;

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(9) Use a program or plan which uses or employs installment payments featuring payments charged directly to a credit card; or

(10) Engaging in any violation of the federal Consumer Credit Protection Act ().

SECTION 3. Tennessee Code Annotated, Section 47-18-1005 is hereby amended by deleting the term “and” at the end of subparagraph (2), by deleting the period (.) at the end of subparagraph (3) and substituting a semicolon (;), and by adding the following new subparagraphs:

(4)(A) Name and address of the surety company which issued the bond in accordance with §47-18-1011;

(B) A statement explaining the consumer’s right to proceed against the bond; and.

(5) A complete and accurate statement of the availability of non-profit credit counseling.

SECTION 4. Tennessee Code Annotated, Section 47-18-1006 is hereby amended by deleting the terms “third business day” and substituting therefor the terms “fifth business day”.

SECTION 5. Tennessee Code Annotated, Section 47-18-1011 is hereby amended by deleting the language contained therein in its entirety and substituting the following

(1) In order to provide a degree of protection to customers of credit services businesses, each credit services business shall post a bond of _____ (\$100,000) with the department of commerce and insurance. Such bond may be made through deposit of cash, a certificate of deposit, securities, or with a bond issued by a corporate surety acceptable to the commissioner.

(2) The bond must be maintained for two (2) years following the date on which the credit services business ceases to conduct business in this state;

(3) In an action brought by the attorney general pursuant to §47-18-1010, the Attorney General shall have the right to request that the total amount of the bond posted by the credit service business be awarded to the State for consumer restitution or civil penalties.

SECTION 6. This act shall become effective upon becoming law, the public welfare requiring it.